

§ 1655.17

(iii) Under a voluntary reamortization, the participant can shorten or extend the loan repayment period, provided that the new loan repayment period, when added to the original loan repayment period, is not shorter than one year of scheduled payments and does not exceed 15 years of scheduled payments, in the case of a loan for the purchase of a primary residence, or four years of scheduled payments, in the case of all other loans.

(b) Before a loan can be reamortized, the recordkeeper must receive from the participant, within 45 days of the date a Rider to the participant's Loan Agreement/Promissory Note was prepared, a signed Rider to his or her Loan Agreement/Promissory Note which describes the estimated terms and conditions of the reamortized loan and a newly signed payroll allotment form. If the 45th day falls on a Saturday, Sunday, or Federal holiday, the deadline will be the next business day.

(c) Upon reamortization, the new principal balance of the loan will equal the unpaid principal on the date of reamortization, plus any interest due on the unpaid principal.

(d) [Reserved]

(e) A loan may only be reamortized if the new principal (as described in paragraph (c) of this section) does not exceed the maximum loan amount calculated under § 1655.6(b).

(f) The interest rate on a reamortized loan will be the same as the interest rate on the original loan.

[55 FR 979, Jan. 10, 1990, as amended at 61 FR 58757, Nov. 18, 1996]

§ 1655.17 Prepayment.

(a) A participant may prepay a loan in full at any time before the declaration of a distribution under § 1655.13 unless a separated participant has signed a statement that he or she does not intend to prepay. Partial prepayments are not permitted. Prepayment in full means receipt by the recordkeeper of payment of all principal and interest due in the form of a certified or cashier's check, a certified or treasurer's draft from a credit union, or a money order.

(b) If a participant returns a loan check to the recordkeeper in order to repay his or her loan, it will be treated

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as a prepayment in full. However, additional interest may be owed.

[55 FR 979, Jan. 10, 1990, as amended at 61 FR 58757, Nov. 18, 1996]

§ 1655.18 Spousal rights.

(a) Within seven calendar days of a CSRS participant's loan application process date, the recordkeeper will send a notice to the participant's current spouse that the participant has applied for a loan.

(b) As a condition for approval of the Loan Agreement/Promissory Note for a FERS participant, the participant must provide the recordkeeper with any evidence the Board requires to demonstrate that the current spouse has consented to the loan for which the participant has applied.

(c) A CSRS participant may obtain a waiver of the spousal requirement described in paragraph (a) of this section if the participant establishes, to the satisfaction of the Executive Director, that the spouse's whereabouts are unknown.

(d) A FERS participant may obtain a waiver of the spousal requirement described in paragraph (b) of this section if the participant establishes, to the satisfaction of the Executive Director that:

(1) The spouse's whereabouts are unknown; or

(2) Exceptional circumstances prevent the obtaining of consent.

(e) The procedures for obtaining an exception to the spousal requirements (including the definition of exceptional circumstances) described in paragraphs (c) and (d) of this section will be the same as the procedures described in 5 CFR part 1650.

(f)(1) By signing the Loan Application and the Loan Agreement/Promissory Note, the participant represents that all information provided to the TSP during the loan process is true and correct, including statements concerning the participant's marital status and spouse's address at the time the application is filed and documentation that the current spouse has consented to the loan.

(2) If the Board receives a written allegation from the spouse that the participant may have misrepresented his/